GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:6382
ANSWERED ON:08.05.2000
KOYAL KARO PROJECT
SANJAY PASWAN

Will the Minister of POWER be pleased to state:

(a) whether the Koyal-Karo Hydel Power Project of the National Hydro Power Corporation in the Ranchi district of Bihar has been lying closed since many years;

(b) if so, the reasons therefor; and

(c) the steps taken/proposed to be taken by the Government to ensure speedy completion of this project?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : Koel Karo HE Project (710 MW) in Bihar was originally approved in June, 1981 at an estimated cost of Rs.444.67 crores at March, 1980 price level. However, no major work could be started due to resistance from the local people to the acquisition of land. In August, 1984 a writ petition was filed in the Supreme Court of India demanding inter alia the scheme for rehabilitation of the displaced persons. On submission of the R&R package, the stay was vacated on 6.2.89, and the Court directed that the rehabilitation plan must be implemented and the compensation must be paid. Government of India, approved the revised cost estimate for the project amounting of Rs.1338.81 crores in November, 1991.

In a meeting of the Central Empowered Committee (CEC) constituted by the Government for reviewing CentralSector projects making slow progress, held on 26.2.97, it was decided to freeze further expenditure on the project thereby putting a stop to work on the project.

Based on the request of the Hon`ble Members of Parliament from Bihar, Ministry of Power took steps to revive theproject. Koel Karo HE Project in Bihar is one ofthe projects identified as a Mega Power project under the Mega Power ProjectsPolicy approved by the Government on 8.10.1998. The mega projects are entitled for concessions which would make the tariff from the project more attractive.

Thereafter, Ministry of Power has requested the Government of Bihar for conducting fresh survey of Project Affected Persons (PAPs) in order to enable NHPC to formulatethe Environmental Management Plan (EMP)in accordance with the guidelines of the Supreme Court. It is necessary to have firm commitment from buyers for the power from Central Sector Power Projects before execution. Orissa and West Bengal have declined to purchase power from the project since the tentative tariff amount to Rs.7.13 per unit is considered too expensive by them. Bihar has committed to purchase power from the project to the extent it will require to draw power at the prevalent tariff rate. NHPChave been asked to seek the consent of the States outside the region for purchase of power from Koel Karo H.E. Project.